

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:
Mallory Post Office
Mallory, New York (13103)

Docket No. A2011-100

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(November 22, 2011)

On August 24, 2011, the United States Postal Service (“USPS” or “Postal Service”) posted its “Final Determination to Close the Mallory, NY Post Office and Establish Service by Rural Route Service” (“Final Determination” or “FD”). Item No. 49.¹ In this docket, Mr. Mark Burghart (“Petitioner”) appeals the Postal Service’s Final Determination.² For the reasons set forth in these Comments, the Postal Service submits that it has complied with its statutory obligations under 39 U.S.C. § 404(d) as reflected in the Final Determination, and that its decision is in accordance with the law and is supported by substantial record evidence. Therefore, the Postal Service respectfully requests that the Postal Regulatory Commission (“Commission”) affirm the Final Determination.³

¹ In these Comments, specific items in the Administrative Record filed by the Postal Service on August 15, 2011, are referred to as “Item No. ____.”

² Appeal Letter postmarked September 17, 2011.

³ The procedural history to this appeal appears below the “Background” section.

Background

The Administrative Record ("AR") filed by the Postal Service on October 13, 2011, shows that Mallory, New York (13103), is an unincorporated community that is located in Oswego County and is administered politically by the Town of Hastings. Item No. 16, Community Survey Sheet, at 1; Item No. 33, Proposal to Close the Mallory, NY Post Office and Establish Service by Rural Route Service ("Proposal") at 5; FD at 4. Police protection is provided by the New York State Police and fire protection is provided by the Central Square Fire Department. Item No. 16 at 1; Proposal at 5; FD at 4. The community is comprised of retired people, self-employed persons, and those who commute to work at nearby communities and work in local businesses. Item No. 16; Proposal at 5; FD at 4. The projected annual growth rate for households is 0.13 percent. Item No. 16. The projected annual growth rate for business is also 0.13 percent. Id.

The Mallory Post Office provides EAS-11 level service to 31 Post Office Box customers and 134 rural delivery customers. Item No. 8, PS Form 150, Postmaster Workload Information; Proposal at 2; FD at 2. The office provides window service from 7:00 a.m. to 10:45 a.m., Monday through Friday, and from 9:30 a.m. to 11:45 a.m. on Saturdays. Item No. 15 at 1; Item No. 18, Form 4920, Post Office Closing or Consolidation Proposal – Fact Sheet, at 1; Proposal at 2; FD at 2. The office provides lobby access from 7:00 a.m. to 11:00 a.m., Monday through Friday, and from 9:00 a.m. to 12:00 p.m. on Saturdays. Item No. 15; Item No. 18 at 1.

On average, there are approximately twelve (12) retail window transactions at the Mallory Post Office per day and these transactions account for approximately fourteen (14) minutes of retail workload daily. Item No. 10, Window Transaction Record; Proposal at 2; FD at 2. Revenue has generally been low: \$12,933.00 in FY 2008 (34 revenue units); \$17,950.00 in FY 2009 (47 revenue units); and \$18,103.00 in FY 2010 (47 revenue units). Item 18 at 1; Proposal at 2; FD at 2. The Mallory Post Office has no permit mailers or postage meter customers. Id.; Proposal at 2; FD at 2. The postmaster of the Mallory Post Office was reassigned on March 31, 2009. Item No. 1; Proposal at 2; FD at 2. A temporary officer-in-charge (OIC) has been installed to operate the office. Proposal at 2; FD at 2.

Prior to the issuance of the Final Determination, the Postal Service followed the proper procedures and complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice of the potential change through other means. Questionnaires were distributed to customers of the Mallory Post Office. Item No. 20, Questionnaire Instruction Letter to Postmaster/OIC; Item No. 22, Questionnaires and Response Letters; Item No. 23, Postal Service Customer Questionnaire Analysis; Proposal at 2; FD at 2. A letter from the Manager, Post Office Operations, Albany, NY, stating that the Postal Service was considering closing the Mallory Post Office and providing postal services via rural carrier, was also made available to Mallory customers. Item No. 21, Letter to Customer, at 1. The letter invited customers to complete and return a customer questionnaire and to express their

opinions about the possible change. Id. The returned customer questionnaires and Postal Service response letters appear in the AR as Item No. 22.

Representatives from the Postal Service were available for a community meeting at the Mallory Post Office on May 4, 2011, to answer questions and provide information to customers. Item No. 25, Community Meeting Analysis; Item No. 24, Community Meeting Roster. Customers received formal notice of the Proposal and FD through postings at affected facilities. The Proposal was posted with an invitation for public comment at the Mallory and Central Square Post Offices. Item No. 36, Round-date Stamped Proposal and Invitation for Comments from Affected Offices; Item No. 37, Notification of Taking Proposal and Comments Under Internal Consideration. The FD was posted at the same two Post Offices in accordance with postal policy, as confirmed by the round-dated FD cover sheets that appear in the AR. Item No. 49; United States Postal Service Notice of Filing Modification to Administrative Record [Errata] (November 22, 2011).

In light of the postmaster vacancy,⁴ minimal workload,⁵ low office revenue,⁶ the existence of alternative delivery and retail options,⁷ minimal impact upon the community and employees,⁸ and the expected financial savings,⁹ the Postal Service issued the Final Determination. Upon implementation of the Final Determination, delivery and

⁴ Item No. 1.

⁵ Item No. 10.

⁶ Item 18 at 1; Proposal at 2; FD at 2.

⁷ Proposal at 2; FD at 2.

⁸ Proposal at 5-6; FD at 4-5.

⁹ Item No. 29, Proposal Checklist, at 2; Proposal at 6; FD at 5.

retail services will be provided by rural route service under the administrative responsibility of the Central Square Post Office. Proposal at 2; FD at 2. The Central Square Post Office is located approximately five miles away from the Mallory Post Office. Item No. 1; Item No. 18; Proposal at 2; FD at 2. The Central Square Post Office is an EAS-18 level office that provides window service between 8:30 a.m. and 10:15 a.m. and between 11:15 a.m. and 5:00 p.m., Monday through Friday, and between 8:30 a.m. and 12:00 p.m. on Saturday. Item No. 18 at 1; Proposal at 2; FD at 2. Its lobby is accessible between 6:00 a.m. and 5:30 p.m. on Monday through Friday and between 6:00 a.m. and 12:00 p.m. on Saturday. Item 18 at 1. Two hundred and thirty four (234) Post Office Boxes are available at the Central Square Post Office and fees are the same. Item No. 15 at 2; Item No. 18 at 1; Proposal at 2; FD at 2.

Procedural History in Docket No. A2011-100

On September 28, 2011, the Commission received a petition for review (“Petition”) postmarked September 17, 2011, appealing the determination of the Postal Service to close the Mallory Post Office. On September 30, 2011, the Commission issued Order No. 893, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). On October 13, 2011, the Postal Service filed the Administrative Record (AR) with the Commission. The Commission received no notices of intervention. The Petitioner’s Participant Statement was received by the Commission on November 7, 2011. Order No. 893 at 2.

Discussion

Petitioner raises concerns regarding: (1) the impact of the closing on the community served by the Mallory Post Office, (2) the impact of the closing on the postal services provided to the community served by the Mallory Post Office, and (3) the economic savings expected to result from closing the Post Office.

The AR shows that the Postal Service gave these issues serious consideration prior to the issuance of the FD. Consistent with the Postal Service's statutory obligations¹⁰ and Commission precedent, the Postal Service also gave consideration to other issues not raised by Petitioner, including the impact of the closing on postal employees. For the reasons set forth below, the determination to close the Mallory Post Office should be affirmed.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the AR, the Postal Service considered the effect of closing the Mallory Post Office on postal services provided to customers. The Mallory Post Office currently provides EAS-11 level service to 31 Post Office Box customers and 134 rural delivery customers. Item No. 18, Proposal at 2; FD at 2. The office has approximately twelve (12) daily retail window transactions which account for fourteen (14) minutes of retail workload daily. Item No. 10; Proposal at 2; FD at 2. The closing of the Mallory Post

¹⁰ See 39 U.S.C. 404(d)(2)(A).

Office is premised upon continuing to provide regular and effective postal services to Mallory customers.

Petitioner states that the closure of the Mallory Post Office will interfere with the Petitioner's business. Appeal; Petitioner's Statement at unnumbered page 1. Petitioner states that the next closest Post Office is six miles away thereby increasing the miles the petitioner will need to travel to conduct postal business. Petitioner's Statement at unnumbered page 1. The Postal Service has addressed petitioner's concern by stating that services provided at the Post Office will be available from the rural carrier.

Proposal at 2 and 3, Comment Nos. 4 and 7; FD at 3, Comment Nos. 4 and 7. Upon the implementation of the Final Determination, customers will be able to obtain stamps, money orders, and special services such as certified, registered, Express Mail, delivery confirmation, signature confirmation, and COD through the rural carrier. FD at 3, Concern No. 7. Customer convenience may be enhanced upon implementation of the FD because the provision of rural carrier service will alleviate the need for customers to travel to the Post Office for retail services and will provide them with 24-hour access to their mail. FD at 4. Additionally, the Postal Service has informed Petitioner and others that rural carriers strive to provide service at approximately the same time on a daily basis. FD at 3, Concern No. 5.

Petitioner is also concerned that he will need to change the address listed on his products, which is currently the "Mallory address." Petitioner's Statement at unnumbered page 2. The Postal Service explained that a customer who retains his or her Post Office Box or who currently has street delivery will not have to change his or

her address. Item No. 25, Concern No. 1; Proposal at 2-3, Concern Nos. 2, 6; FD at 2-3, Concern Nos. 2, 6.

As demonstrated by the Administrative Record, the Postal Service considered the effect of closing the Mallory Post Office on postal services provided to customers served by that office. 39 U.S.C. § 404(d)(2)(A)(iii).

Effect on the Mallory Community

The Postal Service is obligated to consider the effect of its decision to close the Mallory Post Office upon the Mallory community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, Title 39 U.S. Code and postal regulations recognize the substantial role in community affairs often played by local Post Offices and requires consideration of that role whenever the Postal Service proposes to discontinue a Post Office. The issue of the effect of the closing of the Mallory Post Office upon the Mallory community was considered by the Postal Service, as reflected in the AR. Item No. 16; Item No. 29 at 1; Proposal at 5; FD at 4-5. The regular and effective postal services required by communities generally will continue to be provided to the Mallory community. Proposal at 6; FD at 6.

Petitioner indicates that the Post Office is a community meeting place and has sentimental value. Petitioner's Statement at unnumbered page 3. According to the AR, residents may continue to meet informally, socialize, and share information at the other businesses, churches, and residences in the community-at-large. FD at 5, Concern No. 2. Additionally, the Postal Service noted that a community's identity derives from the

interest and vitality of its residents and their use of its name and that the Postal Service is helping to preserve identity by continuing the use of the Post Office's name and ZIP Code. FD at 4, Concern No. 1.

The Postal Service submits that it has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Mallory Post Office on the community served by that facility.

Economic Savings

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv), the Postal Service considered economic factors when determining to close the Mallory Post Office.

Proposal at 4; FD at 5. The estimated annual savings associated with discontinuing the Mallory Post Office and providing rural route replacement service are \$45,037.00. Item No. 29 at 2; Proposal at 6; FD at 5.

Petitioner argues that because a Postmaster Relief has been working at the Post Office and is not currently receiving a postmaster's salary, the savings estimate is inflated. Petitioner's Statement at unnumbered page 2. The economic savings calculation conducted as a part of a discontinuance study is forward-looking; that the Postal Service may have paid less in salary and benefits over the past years does not mean that it could count on those savings annually in the future. If the Mallory Post Office closes, one career slot will be eliminated. If the Post Office is not discontinued, that slot would have been filled with a career employee, and the salary and benefits to be paid would be as shown for a postmaster. Thus, it was appropriate to use a career

Postmaster's salary in the calculation because the career position would have ultimately been filled if the Mallory Post Office had not been identified as a candidate for discontinuance. Thus, the Postal Service will save the salary and benefits of a career Postmaster position.

Petitioner suggests that the Postal Service could save money by rearranging the work schedules of postal employees (from night to morning shifts) despite possible delays in mail processing that, according to petitioner, might result from the change. Petitioner's Statement at unnumbered page 3. Petitioner also poses many questions concerning Postal Service-decisions to acquire mail processing equipment and the compensation of postal employees. Id. However, the Postal Service is only responsible for formulating a specific proposal and evaluating it in the context of Title 39, U.S. Code, and applicable regulations. In this case, the Postal Service has determined that carrier service, coupled with service at the Central Square Post Office, is a reasonable solution that will yield economic savings. In so doing, the Postal Service is not required to evaluate and reject alternative proposals. In this case, the Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations.

The Postal Service has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact of the closing on postal employees is minimal. The postmaster was reassigned on March 31, 2009, and temporary officer-in-charge (OIC) has been installed to operate the Mallory Post Office. The record shows that no other employee would be affected by this closing. Proposal at 6; FD at 5. Accordingly, the record demonstrates that the Postal Service considered the effect of the closing on the employees at the Mallory Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the AR, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Mallory Post Office on the provision of postal services and on the Mallory community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. Additionally, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to customers served by the Mallory Post Office. FD. The Postal Service respectfully submits that this conclusion is consistent with and supported by the Administrative Record and is in accord with the policies stated in 39

U.S.C. § 404(d)(2)(A). Accordingly, the Postal Service respectfully requests that the Final Determination to close the Mallory Post Office be affirmed.

Respectfully submitted,

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November 22, 2011